

## Message Text

SECRET

PAGE 01 TEL AV 11004 01 OF 02 261234Z  
ACTION NODS-00

INFO OCT-01 ISO-00 /001 W  
-----120367 261235Z /53  
O 261222Z AUG 78  
FM AMEMBASSY TEL AVIV  
TO SECSTATE WASHDC IMMEDIATE 5133

S E C R E T SECTION 01 OF 02 TEL AVIV 11004

NODIS

FOR SAUNDERS FROM THE AMBASSADOR

E.O. 11652: GDS  
TAGS: MASS, MPOL, XX  
SUBJECT: FMS AND SSA LEVELS FOR ISRAEL FOR FY 1980

REF: (A) TEL AVIV 9006, (B) TEL AVIV 9350

1. AT THIS CRITICAL JUNCTURE IN OUR SEARCH FOR PEACE IN THE MIDDLE EAST, I BELIEVE IT IS ABSOLUTELY ESSENTIAL THAT WE AVOID ANY TAMPERING WITH OUR OVERALL LEVEL OF ECONOMIC/ MILITARY ASSISTANCE TO ISRAEL THAT COULD JEOPARDIZE ISRAEL'S FAITH IN THE STEADFASTNESS OF OUR SUPPORT. I THEREFORE URGE THAT OUR COMBINED ECONOMIC AND MILITARY ASSISTANCE FOR FY 1980 REMAIN AT THE SAME LEVEL WE HAVE MAINTAINED SINCE FY 1975; I.E. ABOUT DOLS 1.8 BILLION.

2. AS WE INDICATED IN REF A, WE BELIEVE THERE IS LITTLE JUSTIFICATION ON STRICTLY ECONOMIC GROUNDS FOR MAINTAINING SECURITY SUPPORTING ASSISTANCE AT THE CURRENT LEVEL OF DOLS 785 MILLION WE ARE SEEKING FOR FY 1979. WE THEREFORE RECOMMENDED A SSA GRANT FOR FY 1980 IN THE DOLS 400-450 MILLION RANGE.

3. I BELIEVE STRONGLY, HOWEVER, THAT IF THIS REDUCTION  
SECRET

SECRET

PAGE 02 TEL AV 11004 01 OF 02 261234Z

OCCURS, IT MUST BE OFFSET BY A COMPARABLE INCREASE IN OUR LEVEL OF FMS CREDITS; I.E. TO A LEVEL OF DOLS 1.35 TO 1.4 BILLION. I MAKE THIS RECOMMENDATION FOR STRAIGHTLINING OUR ASSISTANCE TO ISRAEL IN FY 1980 FOR THE FOLLOWING PRINCIPAL REASONS:  
SECRET

A. ANY DIMINUTION IN OUR OVERALL LEVEL OF ASSISTANCE TO

ISRAEL AT THIS CRITICAL MOMENT, WHATEVER ITS OSTENSIBLE ECONOMIC JUSTIFICATION, IS BOUND TO HAVE SEVERE POLITICAL REPERCUSSIONS ON BOTH SIDES OF THE ARAB-ISRAELI BATTLE-LINES. BOTH SIDES WILL READ INTO SUCH A MOVE A WEAKENING OF THE U.S. COMMITMENT TO ISRAEL'S SECURITY AND DRAW THEIR OWN CONCLUSIONS, PRODUCING INCREASED RIGIDITY ON BOTH SIDES. I KNOW THIS ARGUMENT HAS BEEN MADE IN PREVIOUS YEARS, AND THERE ARE THOSE WHO WILL SAY, "WE'VE HEARD THAT ONE BEFORE," OR, "THERE'S NEVER A 'GOOD' TIME TO REDUCE AID TO ANYBODY, ESPECIALLY ISRAEL." BUT THIS IS TRULY A UNIQUE MOMENT IN HISTORY. THE SADAT VISIT, FOR ALL THE BACKING AND FILLING ON BOTH SIDES THAT HAS FOLLOWED THOSE EUPHORIC JERUSALEM DAYS, HAS BROUGHT US CLOSER TO A BREAK-THROUGH IN THE PEACE PROCESS THAN AT ANY TIME IN THE LAST 30 YEARS. IF, A YEAR FROM NOW, WE LOOK BACK AND FIND THAT OUR HOPES HAVE GONE SOUR, WE CAN TAKE ANOTHER LOOK AT OUR AID STRATEGY. BUT FOR NOW AND IN THE FORESEEABLE FUTURE, WE CANNOT AFFORD TO DO ANYTHING TO UPSET THE DELICATE BALANCE WHICH OUR PAINSTAKING EFFORTS HAVE PRODUCED. IN MY JUDGMENT, THAT WILL BE AS TRUE AFTER CAMP DAVID, ALMOST NO MATTER WHAT HAPPENS THERE, AS BEFORE.

B. THIS IS BECAUSE THE PRESIDENT, THE VICE PRESIDENT AND THE SECRETARY HAVE ALL REPEATEDLY ASSURED ISRAEL AND ITS AMERICAN SUPPORTERS THAT WE WOULD NOT USE MILITARY AND ECONOMIC AID TO PRESSURE ISRAEL TO MAKE HARMFUL DIPLOMATIC  
SECRET

SECRET

PAGE 03 TEL AV 11004 01 OF 02 261234Z

CONCESSIONS. WHILE WE HAVE MADE NO EXPLICIT COMMITMENT TO MAINTAIN OUR ASSISTANCE AT PRECISELY THE SAME LEVEL IN PERPETUITY, ANY REDUCTION OF THAT LEVEL AT THE PRESENT TIME WILL INEVITABLY BE READ HERE AS A CLEAR FORM OF PRESSURE AND A RENEGING ON A PUBLIC COMMITMENT MADE AT THE HIGHEST LEVELS. IT WOULD BE BAD ENOUGH IF WE WERE INTENTIONALLY TO TRY TO SEND A MESSAGE TO THE ISRAELIS THROUGH A REDUCTION IN AID, BECAUSE I AM CONVINCED THAT, AT THIS STAGE IN THE PROCESS AT LEAST, IT WOULD HAVE THE OPPOSITE EFFECT FROM WHAT WE INTENDED; I.E., IT WOULD PRODUCE MORE RIGIDITY RATHER THAN FLEXIBILITY. IT WOULD BE EVEN WORSE, HOWEVER, TO PRODUCE SUCH A RESULT INADVERTENTLY JUST BECAUSE WE WERE TRYING TO SAVE MONEY IN THE SA ACCOUNT. AS WE GET CLOSER TO THE INESCAPABLE MOMENT WHEN ISRAEL WILL HAVE TO MAKE THE REALLY HARD CHOICES, TENSION BETWEEN US IS BOUND TO INCREASE. THE LAST THING WE NEED NOW IS A FIGHT WITH ISRAEL OVER WHAT IS, IN TERMS OF THE ALL-IMPORTANT PEACE PROCESS, A SIDE ISSUE.

C. TO REDUCE AID NOW WOULD GREATLY IMPAIR OUR RELATIONSHIP WITH PRIME MINISTER BEGIN AND HIS GOVERNMENT, WITH WHOM, FOR BETTER OR FOR WORSE, WE ARE LIKELY TO BE DOING BUSINESS FOR THE NEXT THREE YEARS. IT WOULD ALSO GREATLY

REDUCE THE VALUE OF ANY FUTURE U.S. SECURITY GUARANTEES  
AS PART OF A PACKAGE OF INDUCEMENTS TO ISRAEL TO MAKE  
PAINFUL TERRITORIAL CONCESSIONS.

D. GIVEN THE INTERCHANGABILITY OF FUNDS, A REDUCTION IN  
ECONOMIC AID (SSA) WITHOUT AN OFFSETTING INCREASE IN FMS  
CREDITS, WOULD MEAN, IN FACT, THAT ISRAEL WOULD HAVE THAT  
MUCH LESS TO SPEND ON DEFENSE. EVEN MAINTAINING A

SECRET

NNN

SECRET

PAGE 01 TEL AV 11004 02 OF 02 261236Z  
ACTION NODS-00

INFO OCT-01 ISO-00 /001 W  
-----120397 261239Z /53  
O 261222Z AUG 78 ZFF-4  
FM AMEMBASSY TEL AVIV  
TO SECSTATE WASHDC IMMEDIATE 5134

S E C R E T SECTION 02 OF 02 TEL AVIV 11004

NODIS

FOR SAUNDERS FROM THE AMBASSADOR

STRAIGHT-LINE TOTAL APPROPRIATION FOR ISRAEL REPRESENTS A  
CONSIDERABLE REDUCTION OF OUR ASSISTANCE LEVELS IN REAL  
TERMS AND IS, THEREFORE, CONSISTENT WITH THE PRESIDENT'S  
OBJECTIVE OF GRADUAL REDUCTION OF GLOBAL U.S. OUTLAYS FOR  
MILITARY ASSISTANCE AND ARMS TRANSFERS. IN TERMS OF 1975  
DOLLARS, A STRAIGHT-LINE LEVEL OF DOL\$ 1.8 BILLION IN  
ASSISTANCE TO ISRAEL IN FY 1980 WILL BE WORTH NO MORE  
THAN DOLS 1.2 BILLION. AS REF B POINTS OUT, DOLS 1.4  
BILLION IN FMS CREDITS WILL PERMIT ISRAEL ONLY TO MEET  
THE ANTICIPATED ANNUAL PAYMENTS OF THE FIRST INCREMENT  
OF THE F-15'S AND F-16'S THAT HAVE ALREADY BEEN APPROVED,  
PLUS FOLLOW-ON SUPPORT FOR EXISTING ITEMS. A BREAK-  
THROUGH IN THE PEACE PROCESS WILL NOT IN ANY EVENT LEAD  
TO A NEAR-TERM REDUCTION IN OUR MILITARY ASSISTANCE  
LEVELS TO ISRAEL, BUT PROBABLY TO THE REVERSE. THUS, A  
STRAIGHTLINE IS CONSISTENT WITH THE EXPECTATION OF A  
CONTINUING HIGH LEVEL OF FINANCIAL SUPPORT FOR ISRAEL IN  
THE FORESEEABLE FUTURE.

4. THE MANNER IN WHICH OUR AID IS DISTRIBUTED IS MUCH  
LESS IMPORTANT THAN THE SIZE OF THE TOTAL FIGURE. I DO  
NOT FEEL TERRIBLY STRONGLY ABOUT WHETHER SECURITY SUPPORT-  
SECRET

SECRET

PAGE 02 TEL AV 11004 02 OF 02 261236Z

ING ASSISTANCE IS REDUCED AND FMS CREDITS INCREASED OR  
WHETHER THE PRESENT DISTRIBUTION IS REPEATED IN FY 1980.  
THE IMPORTANT THING IS THAT THE TOTAL AMOUNT REMAIN  
UNDIMINISHED. LEWIS

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, FOREIGN ASSISTANCE, INTELLIGENCE ASSESSMENTS, CAT-B  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TELAV11004  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** P850070-1560  
**Format:** TEL  
**From:** TEL AVIV  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780819/aaaaapua.tel  
**Line Count:** 183  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** bc27f25a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NODS  
**Original Classification:** SECRET  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** NODIS  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** NODIS  
**Reference:** 78 TEL AVIV 9006, 78 TEL AVIV 9350  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 13 jun 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1607250  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FMS AND SSA LEVELS FOR ISRAEL FOR FY 1980  
**TAGS:** MASS, MPOL, EAID, XX, US, IS  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/bc27f25a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014